

# Second Informal Consultation on Financial Support for Biennial Transparency Reports (BTRs)

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# BTR Support Modalities

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# What we discussed in June

- How can the GEF sequence its support for countries' final BURs and first BTRs?
- What are the resource implications for GEF-7 and beyond?
- What is the experience of existing support modalities and how can these be enhanced?

# Potential modalities presented in June

- **Modality A – Stand-alone or bundled with NC**
  - Support about 50 countries through stand-alone or bundled requests on a first-come, first-served basis using existing modalities in GEF-7.
- **Modality B – Umbrella Program**
  - Plan for an umbrella program for BTRs that supports a set number of countries for inclusion in the June/December 2021 Work Program. If additional countries want to join, the umbrella program could be expanded prior to July 2022 if there are enough resources.
- **Modality C – Amendment of existing Enabling Activity (EA)**
  - Provide top-up resources to GEF-7 BURs and NCs already under implementation and with expected submission dates after 2022, so they meet BTR requirements.



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# Summary of feedback received

- BURs on average took 2.6 years plus proposal preparation of 6-12 months
- BUR support cannot be phased out before end of 2021, due to postponement of finalization of reporting tables
- Acknowledged GEF was given guidance to support a report not included in GEF-7 replenishment negotiations
- Suggest to support countries with first BTR in a transitional period, while assessing modalities and resource needs for GEF-8 to inform replenishment negotiations
- Process needs to be simplified, accelerated and made more efficient
- Suggest to combine BTRs and NCs, or multiple BTRs but avoid triggering full-size modality (>\$2M)
- Consider providing incentives to parties to choose NC and BTR combined
- Specific feedback:
  - Modality A: possible way forward but more details needed on combination
  - Modality B: least preferred option due to timeline issues
  - Modality C: good way forward to address transitional period
- Request to further develop modalities

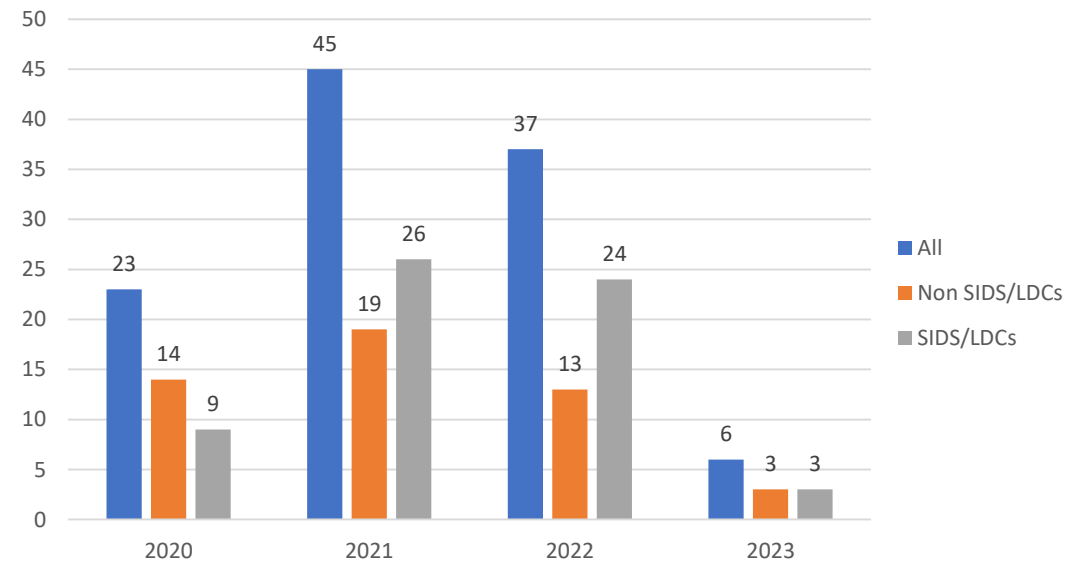


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# Modality 1 – Stand-alone BTR

- Countries can request BTR support as single country EA projects. This modality follows the standard GEF EA project cycle policies and guidelines.
- Available to countries upon submission of their last GEF-supported BUR. Encouraged for countries that submit last supported NC *after* December 2021.
- Available January 2021-January 2023 for first BTR (available to SIDS and LDCs at their discretion)
  - Up to 105 countries, including 49 SIDS and LDCs, could request support for stand-alone BTR in GEF-7
  - Up to 40 countries, including 27 SIDS and LDCs, could request resources for first BTR in early GEF-8

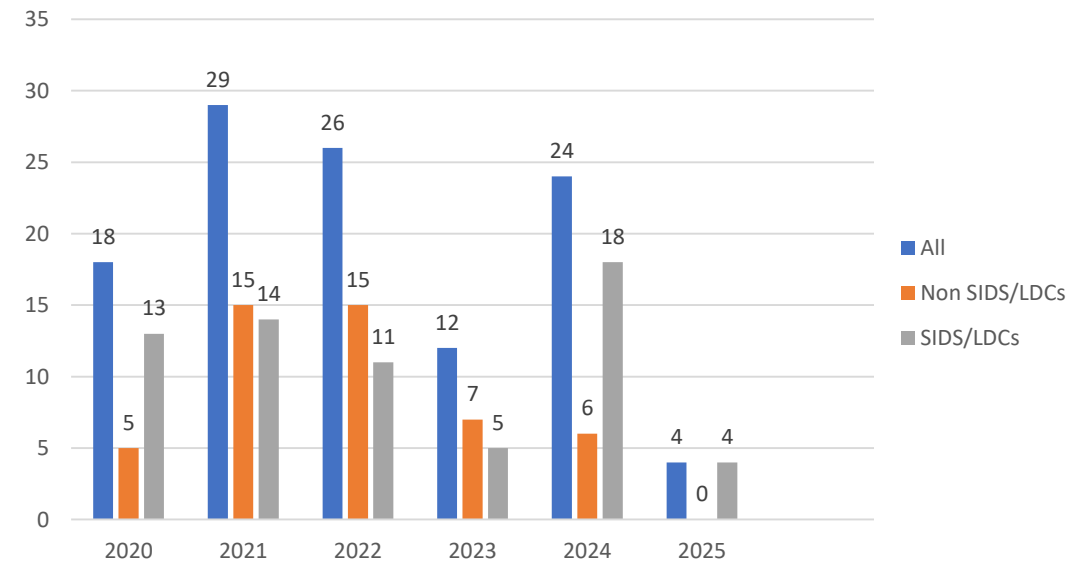
Expected Submission Years of Ongoing, GEF-Supported BURs as of September 30, 2020



# Modality 2 – Combined BTR/NC

- Countries can request combined support for BTR and NC as single country EA projects. This modality follows the standard GEF EA project cycle policies and guidelines.
- Available to countries upon submission of their last GEF-supported NC. Encouraged for countries that submit last supported NC *prior to* December 2021.
- Available January 2021-January 2022 for first BTR (available to SIDS and LDCs at their discretion)
  - Up to 81 countries, including 38 SIDS and LDCs, could request support for BTR/NC in GEF-7
  - In GEF-8, modality available only to SIDS/LDCs for first BTR

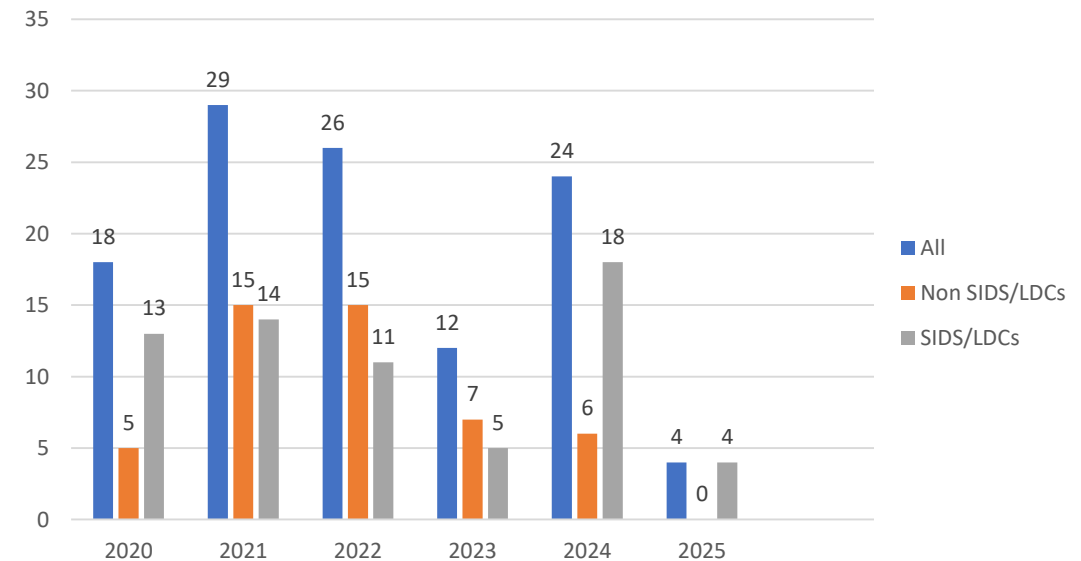
Expected Submission Years of Ongoing, GEF-Supported NCs as of September 30, 2020



# Modality 3 – Additional financing (top-up)

- Countries can request additional financing as a stand-alone EA, parallel to an ongoing EA support approved previously, to provide top-up, additional financing to ongoing BUR and NC projects to also prepare a BTR
- This modality also follows the standard EA project policies and guidelines
- Only for countries that will not submit their ongoing BUR or NC in time to request stand-alone first BTR or first BTR/NC support and thus require transitional support
- Available January 2023-January 2024
- Assessed on a case-by-case basis as it depends on status and actual submission of approved EAs
- Propose up to \$200,000 in financing

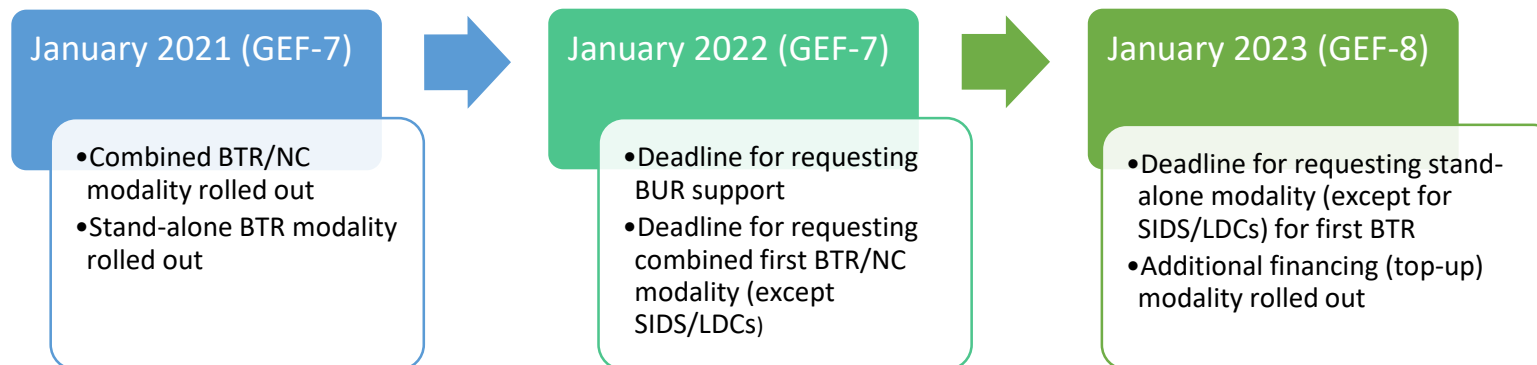
Expected Submission Years of Ongoing, GEF-Supported NCs as of September 30, 2020





# Proposed rollout of modalities for first BTR

- Phase out BUR support in January 2022 to accommodate ongoing negotiations
- Encourage shift to BTR to maximize time for first BTR preparations
- 3 modalities to support first BTR and ensure all countries can be supported when needed
- Based on existing modalities and thus would not require new or additional policies and guidelines to be developed
- EA modality already offers expedited approval processes at the GEF and full commitment and transfer of funds by the Trustee upon project approval
- LDC/SIDS can submit BTRs at their discretion. They can choose stand-alone BTR modality (once last BUR with GEF support has been submitted), BTR/NC modality (once last NC with GEF support has been submitted) or top-up financing to complete a BTR
- Stand-alone NC support will remain available. In this case, NC and/or BTR support may be subject to reduction of budget from the set-aside resources to avoid duplication of resources for elements in common



# BTR Costing Analysis

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# What we discussed in June

- How do BTR components compare with NC and BUR contents?
- How to avoid potential duplication between NCs and BTRs?
- What are the minimum resources necessary to respond to each component of the report based on the adopted modalities, procedures and guidelines (MPGs) and agreed costs for NCs and BURs?



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# Summary of feedback received

- While several NC elements are included in the BTR, these are more technically complex
- Most enabling activities at full-agreed cost utilize close to all funds
- Using BURs and NCs to guide costing is a good first step
- However, capacity building for new or enhanced elements still needed
- Key challenges from countries in preparing NCs and BURs: GHG inventories, mitigation action assessments, V&A assessments for NCs, and information on domestic MRV for BURs
- Costing of optional elements should be included to encourage non-mandatory components (i.e. gender, adaptation)
- Costing of supplemental chapters for NC/BTR should be developed for consideration
- Elements in BTR that might require additional resources: finance and support needed, received and provided, tracking of action on mitigation, GHG inventory, and adaptation section
- Consider differentiated costing at transitional stage



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# Information to be included in BTR per adopted MPGs

- Each Party is *required* to provide a national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases (GHGs);
- Each Party is *required* to provide the information necessary to track progress in implementing and achieving its nationally determined contribution (NDC) under Article 4 of the Paris Agreement;
- Each Party *may* provide information on climate change impacts and adaptation under Article 7 of the Paris Agreement;
- Developed country Parties are *required* to provide information on financial, technology transfer and capacity-building support provided to developing country Parties. Other Parties that provide support *may* provide such information;
- Developing country Parties *may* provide information on financial, technology transfer and capacity-building support needed and received.
- The national inventory report *may* be submitted as a stand-alone report or as a component of a BTR.
- Parties *may* submit an adaptation communication as a component of, or in conjunction with, a BTR. If that is the case, the Party should clearly identify which part of the report is the adaptation communication.



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# Comparison of report components

Component of Report	Indicative Cost (US\$)			Comments on suggested cost for BTR elements
	BUR	NC	BTR	
✓ Stocktaking and assessment		20,000		Included in each component
✓ Information on national circumstances and institutional arrangements	10,000	12,000		Included in each component
✓ National GHG inventory	120,000	150,000	160,000	Higher to account for additional requirements
✓ Information on mitigation actions and their effect	100,000	175,000	120,000	Higher to account for additional requirements
✓ Description of steps taken or envisaged to facilitate adequate adaptation to climate change			100,000	Optional
✓ Constraints and gaps, and related financial, technical and capacity needs	5,000	15,000	20,000	Optional
✓ Technical assistance		12,000		Supported by other sources (i.e. CBIT, GSP)
✓ Information on the level of support received for preparation and submission of BURs	5,000			Not applicable to BTRs
✓ Information on domestic MRV	45,000			Not applicable to BTRs
✓ Other relevant information	5,000	30,000	10,000	Optional
✓ Monitoring, reporting and preparation of financial audits	15,000	18,000	30,000	No M&E budget required
✓ Publication and submission of BUR	15,000	18,000		
Subtotal	320,000	450,000	440,000	
Project management cost	32,000	50,000	44,000	10% per GEF guidelines
Total	352,000	500,000	484,000	

# Suggested Costing for Stand-alone BTR

BTR Components	Indicative Budget (US\$)
I. National inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases	160,000
I. Information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement	120,000
I. Information related to climate change impacts and adaptation under Article 7 of the Paris Agreement	100,000
I. Information on financial, technology development and transfer and capacity-building support needed and received under Articles 9–11 of the Paris Agreement	20,000
I. Other relevant information	10,000
I. Publication and submission of report, and other project execution support	30,000
<b>Sub Total BTR</b>	<b>440,000</b>
Project management cost (10%)	44,000
<b>Total</b>	<b>484,000</b>

# Considerations for supporting BTR/NC

- Parties may continue to report a separate NC every four years, or may choose to submit a single BTR/NC report in the years a NC is submitted, following the MPGs for BTRs, and include:
  - a) Supplemental chapters on research and systemic observation and on education, training and public awareness, in accordance with applicable guidelines in 17/CP.8 or 6/CP.25;
  - b) An additional chapter on adaptation for Parties that have not included this information in the BTR, in accordance with applicable guidelines in 17/CP.8 or 6/CP.25.
- Submitting a single BTR/NC can help avoid duplication of elements, reduce reporting burden on countries, and support timely submission of reports.



# Suggested costing for BTR/NC

BTR/NC Components	Indicative Budget (US\$)
I. National inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases	160,000
I. Information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement	120,000
I. Information related to climate change impacts and adaptation under Article 7 of the Paris Agreement	100,000
I. Information on financial, technology development and transfer and capacity-building support needed and received under Articles 9–11 of the Paris Agreement	20,000
I. Other relevant information including supplemental NC chapters (research and systemic observation; and, education, training and public awareness)	40,000
I. Publication and submission of report, and project execution support	30,000
<b>Sub Total BTR/NC</b>	<b>470,000</b>
Project management cost (10%)	47,000
<b>Total</b>	<b>517,000</b>

# Summary of proposed modalities

- GEF will continue to provide EA support from set-aside resources, to agreed full cost amount
- Countries can continue to complement available set-aside funding with STAR if they wish to use additional resources
- A Party may access up to \$1,001,000 from set-aside resources for two BTRs and one NC from set-aside resources in 4 years
- Other support options in GEF-8 will be considered based on experience supporting first BTRs